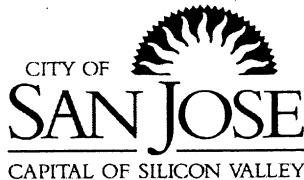


JAN 06 2005

by Council Liaison's Office



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: December 20, 2004

Approved

Date

1/4/05

COUNCIL DISTRICT: Citywide
SNI Area: N/A

INFORMATION

SUBJECT: HOMEOWNERSHIP OPPORTUNITIES FOR CITY EMPLOYEES

Home prices in San Jose remain among the highest in the United States, with a median price of \$588,000 as of October 2004. The high cost of housing makes it difficult for many City employees, like other residents of San Jose, to purchase homes in the community in which they work. During the past three years, the Housing Department has undertaken a series of activities and programs to assist City employees to purchase a home in San Jose. This memorandum has been prepared to inform you of these activities and the positive results.

Education Concerning Available Outside Resources

During the past three years, the number and types of homebuyer assistance have grown substantially. The Housing Department, in partnership with Neighborhood Housing Services Silicon Valley (NHSSV), the California Housing Finance Agency, Santa Clara County, and private lenders, has informed City employees about the benefits, requirements, and procedures for accessing these programs:

- Three separate "brown bag" luncheon sessions, attended by 138 employees, were held during Summer-Fall 2002. Department staff and partners who are operating these programs provided practical hands on advice. One of the presenters, representing a major lender, reported that the sessions generated 108 inquiries from City employees, resulting in 24 home purchases, with a financing package provided by the California Housing Finance Agency. No City financial assistance was required.
- The Department has created, and continually updates a *First-Time Homebuyer's Quick Reference Guide*. This *Guide* describes the programs and who to contact for more information and assistance. It is posted on the Housing Department's website (www.sjhousing.org). The Department of Retirement Services has held four training sessions, called "Buying a Home and Understanding Loans," from Fall 2003 through Fall 2004. The *Guide* was distributed to all attendees.

December 20, 2004

Subject: Homeownership Opportunities for City employees

Page 2

- In June 2003 a flyer was sent to all 6,000 City employees inviting them to an informational session on the Midtown Plaza project, a City funded for-sale project located at Auzerais Avenue between Meridian Avenue and Race Street. The accompanying e-mail from the City Manager discussed the Santa Clara Housing Trust's \$6,500 downpayment assistance program and services offered by Neighborhood Housing Services Silicon Valley. An estimated 50 City employees attended the Midtown session and four City employees have purchased at Midtown Plaza.
- An article concerning ABAG's Lease-Purchase Program was published in the November-December 2003 edition of *Cityline*.
- The Housing Department, in conjunction with the Santa Clara County Board of Realtors, presented a First-Time Homebuyer's Fair on April 3, 2004. Notice on this Fair was distributed to City employees via payroll flyer. Many City employees attended the Housing Department's workshops and visited our booth. Planning for the next Homebuyer's Fair on April 2, 2005 has already begun.
- Staff continues to provide individualized counseling to City employees, at their request, and encourages employees to participate in the comprehensive homebuyer education program offered by NHSSV.
- On October 1, 2004, staff distributed a payroll flyer, prepared in conjunction with NHSSV, to advertise the Bonita Court Below-Market Rate (BMR) sales program and the Proposition 46-funded Housing in Revitalization Areas Program (HIRAP) down payment/closing costs assistance program for persons who buy homes in SNI areas.
- In January 2005, flyers for the 66-unit affordable Las Mariposas condo development will be distributed to all City employees. The estimated project completion date is July 2005.
- Several City employees have taken advantage of City loan programs available to all San Jose residents. Over the past two years, six additional City employees have been able to buy attractive new homes, with downpayment assistance ranging from \$30,000 to \$50,000. In each case, the Housing Department successfully assisted the employee in accessing other resources that enhanced home purchasing power.

The City's ability to be an Employer of Choice is enhanced to the extent that its employees can purchase homes in the community they are serving. To-date, at least ten City employees have purchased their own homes with the City's assistance and hundreds of others have received information and referrals to help them prepare for homeownership. The Housing Department will continue its proactive efforts to assist City employees in purchasing homes in San Jose's challenging housing market.


LESLEYE CORSIGLIA
Director of Housing